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HOUSE BILL 3153 By
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SENATE BILL 3080
By Clabough

AN ACT amend Tennessee Code Annotated, Title 45, Chapter
2, relative to permissible activities of out of state trust
institutions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-2-1014, is amended by deleting
subsection (a) in its entirety and by substituting instead the following:

(a) An out of state trust institution may act as a fiduciary in the state of Tennessee only if
it maintains:

- (1) An office in this state as permitted by this chapter; or
- (2) A branch in this state;

and similar institutions chartered under the laws of Tennessee are permitted to establish
or acquire similar offices and engage in substantially similar activities permitted to out of
state trust institutions by this chapter in the state where such out of state trust institution
has its principal office.

SECTION 2. Tennessee Code Annotated, Section 45-2-1014, is amended by deleting
subsection (b) in its entirety and by substituting instead the following:

(b) An out of state trust institution desiring to establish or acquire and maintain a trust
office in this state pursuant to this part must provide, or cause its home state regulator to
provide, written notice of the proposed transaction to the commissioner on or after the

date on which the out of state trust institution applies to the home state regulator for approval to establish and maintain or acquire such office. The notice must set forth the name of the out of state trust institution, the location of the proposed office, satisfactory evidence that the notificant is a trust institution, furnish a copy of the resolution adopted by the board authorizing the office and pay the filing fee, if any, prescribed by the commissioner. If acquiring a trust office, the out of state trust institution must provide evidence that all fiduciary obligations and liabilities of the parties have been properly discharged or otherwise assumed. Any prohibition on the acquisition of an institution which has not been in operation for at least five (5) years will not apply to trust companies.

SECTION 3. Tennessee Code Annotated, Section 45-2-1014, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) The acquiring trust institution will succeed by operation of law to all of the rights, privileges and obligations of the selling trust institution. No such acquisition alone will result in the establishment of a branch.

SECTION 4. Tennessee Code Annotated, Section 45-2-1014, is amended by deleting subsection (f) in its entirety and by substituting instead the following:

(f) The commissioner may deny approval of the office if the commissioner finds that the notificant lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office is contrary to the public interest. In acting on the notice, the commissioner will consider the views of the appropriate bank supervisory agencies.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.